

CITY OF SEATTLE
ORDINANCE 126803
COUNCIL BILL 120541

AN ORDINANCE relating to residential tenancy; limiting the amount of fees charged for late payment of rent and for notices issued to tenants; and adding a new Section 7.24.034 to the Seattle Municipal Code.

WHEREAS, over the past several years, rents in Seattle and King County have increased, and vacancies for affordable housing are at low levels, making it difficult for tenants, especially those with low incomes, to locate affordable rental housing; and

WHEREAS, the King County Regional Affordable Housing Task Force issued its Final Report and Recommendations for King County, December 2018 (rev. March 2019) (“Affordable Housing Task Force Final Report”), which identifies that renting rather than owning a home increases the chances of being severely cost burdened, and recognizes an existing affordable housing crisis in King County; and

WHEREAS, the Affordable Housing Task Force Final Report includes a regional plan with goals, strategies, and a five-year action plan to address the affordable housing crisis, and Goal 4 of the action plan is to “[p]reserve access to affordable homes for renters by supporting tenant protections to increase housing stability and reduce risk of homelessness”; and

WHEREAS, a report by the Seattle Women’s Commission and the Housing Justice Project of the King County Bar Association, entitled Losing Home: The Human Cost of Eviction in Seattle (Sept. 2018) (“Losing Home Report”) identifies that: (1) national research shows eviction is one of the leading cause of homelessness; (2) research data show that 51.7 percent of tenants evicted were people of color; (3) tenants face steep financial costs

1 resulting from eviction; and (4) 86.5 percent of eviction filings were for nonpayment of
2 rent and, of these, 52 percent were for one month or less; and

3 WHEREAS, the Losing Home Report states that “[b]ecause evictions disproportionately impact
4 marginalized communities and have long-lasting harm on individuals as well as the
5 broader community, it is imperative for local and state governments to take immediate
6 action to address evictions”; and

7 WHEREAS, in GAO-20-433, a report to the Chairwoman, Committee on Financial Services,
8 House of Representatives entitled “Better HUD Oversight of Data Collection Could
9 Improve Estimates of Homeless Population,” the Government Accountability Office
10 estimated that “a \$100 rent increase was associated with a 9% increase in the estimated
11 homelessness rate;” and

12 WHEREAS, a January 12, 2023 Economic News Release from the U.S. Bureau of Labor
13 Statistics shows that the average hourly earnings for all employees decreased three
14 percent from July 2021 to July 2022; and

15 WHEREAS, 2017 data from the Urban Institute report entitled “Homeowner and Renter
16 Experiences of Material Hardship: Implications for the Safety Net,” the May 12-24 2022
17 Census Pulse survey, and the “The State of the Nation’s Housing 2020” Joint Center for
18 Housing Studies suggest that renters are foregoing utility payments, food, and medical
19 costs and tapping into their savings and retirement accounts to prioritize rent payments;
20 and

21 WHEREAS, many Seattle residents are experiencing large increases in rent that may result in
22 substantial charges for nonpayment of rent; and

1 WHEREAS, in the face of the affordable housing crisis, several other jurisdictions such as
2 Redmond (Ord. 3091AM) and unincorporated King County (Ord. 2021-0131) have
3 adopted ordinances limiting late fees to 1.5 percent of the monthly rent, and Auburn
4 (ACC 5.23.040) limits late fees to \$10 per month; and

5 WHEREAS, the Consumer Financial Protection Bureau proposed a rule in February 2023 to cut
6 credit card late fees to \$8; and

7 WHEREAS, some landlords charge “notice preparation” or “notice service” fees to tenants; and

8 WHEREAS, these fees can be charged to tenants every time a notice is issued, regardless of
9 whether the notice is required or at the discretion of the landlord; and

10 WHEREAS, these notice fees can accrue as additional costs to the tenants and further unpaid
11 debt to the landlord, especially for low-income tenants or tenants on a fixed income; and

12 WHEREAS, in some circumstances, both excessive late and notice fees can be “junk fees,” a
13 category of fees that the federal government has expressed concerns over; and

14 WHEREAS, the Council finds that adoption of a \$10 limitation on late fees and prohibiting fees
15 associated with the issuance of notice to tenants is in the best interests of the residents of
16 Seattle and will promote the public health, safety, and welfare of the City; NOW,
17 THEREFORE,

18 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

19 Section 1. A new Section 7.24.034 is added to the Seattle Municipal Code as follows:

20 **7.24.034 Fees for notices and late rent**

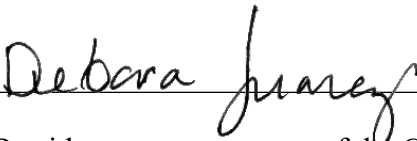
21 A. Any fee for late payment of rent shall not exceed ten dollars per month. No other fee
22 may be charged for late payment of rent, including but not limited to a fee for the service of any
23 notice required under state law.

1 B. A landlord may not charge a fee associated with the issuance of a notice to a tenant,
2 including but not limited to a fee for preparing and delivering a notice regarding late payment of
3 rent, a notice to pay or vacate, or a notice of noncompliance with a rental agreement.

4 C. The Director shall prepare a notice describing how persons may obtain information
5 about the rights and obligations of landlords and owners under this Section 7.24.034. The
6 Director shall place the notice on the Department's website and provide links to translated
7 versions of the notice in the five languages most commonly spoken in Seattle other than English,
8 as determined on an annual basis. The Director may provide links to translated versions in other
9 languages at the Director's discretion. If requested, the Director shall provide copies of the notice
10 to an owner at no cost.

1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 18th day of April, 2023,
5 and signed by me in open session in authentication of its passage this 18th day of
6 April, 2023.


7 
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 1st day of May, 2023.

10 **Returned Unsigned by Mayor**

11 Bruce A. Harrell, Mayor

12 Filed by me this 1st day of May, 2023.

13 
14 Elizabeth M. Adkisson, Interim City Clerk

15 (Seal)

16 Attachments (if any):